

Weekly Market News

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READ
REPORT



Bunker Energy starts offering biofuel blends in Augusta

Italy's Bunker Energy has started offering **biofuel blends** for bunkering in south Mediterranean ports, including the Italian Port of Augusta, where it has a 60,000 mt storage depot. It can also deliver biofuel blends to northern Mediterranean ports, depending on the quantity ordered, a company spokesperson told ENGINE. Stems will be delivered via barges. The company offers biofuel blends from B7-B100, which contain 7-100% biofuel, but blends with less than 7% biofuel are also possible, the spokesperson said. The biofuel components will be produced from fatty acid methyl ester (FAME) and hydrotreated vegetable oil (HVO). These biofuel types can be blended with HSFO, VLSFO and MGO, based on buyer preferences.

Panama Canal Authority changes booking condition

The Panama Canal Authority (ACP) revoked "Booking Condition 3" for its Panamax locks and reinstated "Booking Condition 1A" from 3 September, shipping agent Inchcape said. Under "Condition 3", the authority allowed **non-booked vessels** to pass through the canal as the third booking period slots were cancelled. This was done to reduce a backlog of vessels in the waterway. However, with the implementation of "Condition 1A" from 3 September, the third booking period slots will be offered again, which means the ACP's capacity to accommodate non-booked vessels will be reduced. This could add pressure and increase backlogs. As of 7 September, 115 vessels were waiting for transit, down from 129 at the beginning of August.

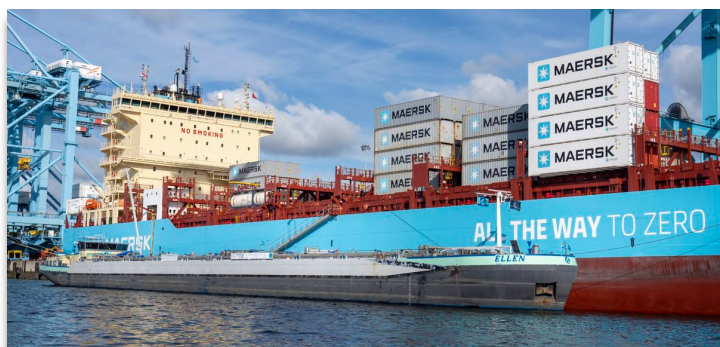
Biomethanol production for bunkering in Portland

HAMR Energy, a renewable fuel producer in Victoria, is planning to build a 200,000 mt/year **biomethanol plant** in Australia to meet demand from ships. The company received \$500,000 in state government funding to study the feasibility of constructing a biomethanol plant in Portland, a port city on southwest coast of Victoria, Australia. Portland H2, a subsidiary of HAMR Energy, will lead the feasibility study. It will evaluate the design and construction of the plant, as well as a 100-megawatt (MW) electrolyser for producing green hydrogen. HAMR Energy plans to build green methanol plants with a combined production capacity of 1 million mt/year in Australia by 2030 to meet the expected rise in **methanol bunker demand**.

STS transfers of Russian crude plummet - Vortexa

Russian exports of its Urals crude oil grade via ship-to-ship (STS) transfers have slowed sharply over the past few months, **falling by 85% in August** compared to a peak earlier this year. In August, only 4% of total Russian Urals exports involved STS transfers, in drastic contrast to the first quarter of this year when the bulk of exports were transferred STS, Vortexa data shows. Several factors have contributed to the slowdown in STS transfers of Russian crude oil, including Moscow's decision to cut oil exports since July in coordination with supply cuts from Saudi Arabia and the wider OPEC+ group. Saudi Arabia and Russia announced on Tuesday that they will extend their supply cuts to the end of this year.

Russia cut exports by an average of 400,000 b/d in July and August compared to the first and second quarters. STS activity involving Russian Urals crude peaked at the start of 2023, after the EU embargoed seaborne imports of Russian crude oil in December. This led to a surge in so-called "**dark fleet**" STS transfers to obscure the origin of Russian oil to bypass sanctions.



Maersk to ship Amazon goods on vessels powered by green fuels

Danish shipping major A.P. Moller-Maersk has renewed its agreement with e-retail giant Amazon to transport its goods on vessels running on **green methanol and biofuels**. Maersk will transport Amazon's goods using biofuel as a primary shipping fuel. Amazon will also have the option to ship its goods on Maersk's methanol-powered feeder vessel and its upcoming methanol ships. These ships will use green methanol as a primary fuel and biofuel as a secondary fuel.



WinGD and SHI to implement ammonia-powered engines

Swiss engine maker WinGD and South Korean shipbuilder Samsung Heavy Industries (SHI) will cooperate on implementing **ammonia-fuelled engines** across a range of vessels, including oil tankers and container ships. The duo will work to prepare WinGD's dual-fuel ammonia engines "for integration with wider ammonia fuel systems and auxiliary machinery," WinGD said. WinGD aims to launch its dual-fuel ammonia engines by the first quarter of 2025.

Average fuel oil stocks in September

8.61m bbls

Average fuel oil stocks in August

9.14m bbls

Fujairah fuel oil stocks down 6% coming into September

Fujairah's fuel oil stocks have averaged **6% lower** in the first week of September than across August, Fujairah Oil Industry Zone (FOIZ) and S&P Global data shows. The Middle Eastern bunker hub's fuel oil inventories have declined to less than 9 million bbls and to their lowest level in more than a year. The massive fuel oil draw of 1.19 million bbls in the latest week has contributed to drag the stocks lower. Fujairah's middle distillate stocks have also slumped, averaging 29% lower on the month.

A source says prompt bunker fuel availability remains "super tight" in Fujairah, with most suppliers still recommending lead times of 5-7 days across all grades. However, some can offer prompt supply, but these deliveries depend on stem sizes. Meanwhile, availability is said to be normal across all bunker fuel grades in the UAE port of Khor Fakkan, with recommended lead times of 5-7 days – virtually unchanged from last week.

Weekly Brent developments

Front-month Brent is on track for a **2% rise** on the week. The contract topped the \$90/bbl mark this week after Saudi Arabia and Russia announced extended supply cuts. But concerns about an uncertain Chinese economic outlook kept its rally in check.

Upward pressure:

OPEC's de facto leader Saudi Arabia announced on Tuesday that it will continue with a voluntary oil production cut of 1 million b/d to the end of this year. Soon after this, Russia also announced its decision to cut exports by 300,000 b/d for the rest of the year. "This move underscores their heightened pricing influence within the OPEC+ alliance," SPI Asset Management's managing partner Stephen Innes said.

Downward pressure:

Meanwhile, higher oil prices could keep inflation at elevated levels, which could trigger another interest rate hike by the US Federal Reserve. A higher interest rate could reduce consumer spending and drive oil demand down.

Concerns about a bleak economic recovery in China have kept a lid on Brent's gains.

"Oil prices are pulling back on concerns allegedly that China's economy is tanking," said Price Futures Group's senior market analyst Phil Flynn.

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